



## Senate

General Assembly

**File No. 654**

February Session, 2014

Substitute Senate Bill No. 30

*Senate, April 22, 2014*

The Committee on Finance, Revenue and Bonding reported through SEN. FONFARA of the 1st Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

### ***AN ACT CONCERNING THE BOARD OF REGENTS FOR HIGHER EDUCATION INFRASTRUCTURE ACT.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 10a-91a of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective July 1, 2014*):

3 Sections 10a-91a to 10a-91h, inclusive, as amended by this act, are  
4 known and may be cited as ["The Connecticut State University System  
5 Infrastructure Act"] "The Board of Regents for Higher Education  
6 Infrastructure Act".

7 Sec. 2. Section 10a-91b of the general statutes is repealed and the  
8 following is substituted in lieu thereof (*Effective July 1, 2014*):

9 The purpose of [The Connecticut State University System  
10 Infrastructure Act] The Board of Regents for Higher Education  
11 Infrastructure Act is to enhance the intellectual capacity of the state by  
12 providing the infrastructure needed to prepare this state's present and

13 future workforce, to contribute to the increased competitiveness of this  
14 state's businesses and to have a positive impact on economic  
15 development within this state, through a special capital improvement  
16 program established for the regional community-technical colleges, the  
17 Connecticut State University System and Charter Oak State College  
18 that assures a state commitment to support the financing of the  
19 acquisition, construction, reconstruction, improvement and equipping  
20 of facilities, structures and related systems for the benefit of this state  
21 and the regional community-technical colleges, the Connecticut State  
22 University System and Charter Oak State College, all to the public  
23 benefit and good, and the exercise of the powers, to the extent and  
24 manner provided in [The Connecticut State University System  
25 Infrastructure Act] The Board of Regents for Higher Education  
26 Infrastructure Act, is declared to be for a public purpose and to be the  
27 exercise of an essential government function. Sections 10a-91c to 10a-  
28 91h, inclusive, as amended by this act, being necessary for the welfare  
29 of this state and its inhabitants, shall be liberally construed to effect the  
30 purposes thereof.

31 Sec. 3. Section 10a-91c of the general statutes is repealed and the  
32 following is substituted in lieu thereof (*Effective July 1, 2014*):

33 As used in this section and sections 10a-91d to 10a-91h, inclusive, as  
34 amended by this act, unless the context otherwise indicates, the  
35 following terms have the following meanings:

36 [(1) "Act" means The Connecticut State University System  
37 Infrastructure Act.

38 (2) "Board of trustees" means the Board of Trustees of the  
39 Connecticut State University System.]

40 (1) "Board of regents" means the Board of Regents for Higher  
41 Education.

42 [(3)] (2) "Cost", as applied to a project or any portion of a project,  
43 includes, but is not limited to: The purchase price or acquisition cost of

44 any such project; the cost of planning, designing, constructing,  
45 building, altering, enlarging, reconstructing, renovating, improving,  
46 equipping and remodeling; the cost of all labor, materials, building  
47 systems, machinery and equipment; the cost of all lands, structures,  
48 real or personal property, rights, easements and franchises acquired;  
49 the cost of all utility extensions, access roads, site developments,  
50 financing charges, premiums for insurance; the cost of working capital  
51 related to a project, including the cost of Department of Administrative  
52 Services administrative functions provided for in subsection (d) of  
53 section 10a-91d, as amended by this act; the cost of plans and  
54 specifications, surveys and estimates of cost and of revenues; the cost  
55 of accountants, audits, engineering, feasibility studies, legal and other  
56 professional consulting or technical services; the cost of all other  
57 expenses necessary or incident to determining the feasibility or  
58 practicability of such construction; and administrative and operating  
59 expenses and such other expenses as may be necessary or incidental to  
60 the financing authorized by sections 10a-91c to 10a-91h, inclusive, as  
61 amended by this act. "Cost" does not include the cost of administrative  
62 functions provided by the system pursuant to sections 10a-91a to 10a-  
63 91h, inclusive, as amended by this act.

64 [(4) "CSUS 2020"] (3) "CSCU 2020" means the projects at the [system]  
65 Connecticut state colleges and universities system and system-wide  
66 that are identified in the facilities [plan] and academic plans necessary  
67 to modernize, rehabilitate, renew, expand and otherwise stabilize the  
68 physical plant and technology infrastructure of the system so as to  
69 provide a concentrated, accelerated and cooperative effort for the  
70 benefit of the educational and economic development needs of this  
71 state and the system in an efficient, cost effective and timely manner  
72 and to assure that the system continues to compete successfully for  
73 students, faculty and staff.

74 [(5) "CSUS 2020 Fund"] (4) "CSCU 2020 Fund" means the fund  
75 created under section 10a-91d, as amended by this act, which shall be a  
76 general obligation bond fund held and administered by the Treasurer  
77 separate and apart from all other general obligation bond funds and

78 accounts of this state and into which the proceeds of the bonds  
79 authorized by section 10a-91e, as amended by this act, shall be  
80 deposited.

81 [(6) "Facilities plan" means] (5) "Facilities and academic plans"  
82 means the long-term capital improvement [plan] plans approved by  
83 the board of [trustees] regents biennially and updated from time to  
84 time.

85 [(7)] (6) "Project" means (A) any structure designed for use as an  
86 academic building, administrative facility, library, classroom building,  
87 faculty facility, office facility, athletic or recreation facility, health care  
88 or wellness facility, laboratory facility, auditorium, public safety  
89 facility, parking facility, residence hall or other housing facility, dining  
90 facility, student center, maintenance, storage or utility facility or other  
91 building or structure essential, necessary or useful for the operation of  
92 a university and the system; (B) any multipurpose structure designed  
93 to combine two or more of the functions performed by the types of  
94 structures enumerated in this definition, including, without limitation,  
95 improvements, reconstruction, replacements, additions and equipment  
96 acquired in connection with a project or in connection with the  
97 operation of any facilities of the system; [existing on July 1, 2008;] (C)  
98 all real and personal property, lands, improvements, driveways, roads,  
99 approaches, pedestrian access roads, parking lots, parking facilities,  
100 rights-of-way, utilities, easements and other interests in land,  
101 machinery and equipment, and all appurtenances and facilities either  
102 on, above or under the ground that are used or usable in connection  
103 with any of the structures included in this definition; and (D)  
104 landscaping, site preparation, furniture, machinery, equipment and  
105 other similar items essential, necessary or useful for the operation of a  
106 particular facility or structure in the manner for which its use is  
107 intended, but does not include items that are customarily under  
108 applicable accounting principles considered as a current operating  
109 charge, unless the category and maximum amount thereof is  
110 specifically included by a determination of the board of [trustees]  
111 regents in order to preserve the excludability of the interest on the

112 bonds issued therefor from federal taxation under the applicable  
113 provisions of the Internal Revenue Code of 1986, or any subsequent  
114 corresponding internal revenue code of the United States as from time  
115 to time amended. [Notwithstanding the preceding sentence, "project"  
116 may include] "Project" includes any residential [or] and other auxiliary  
117 [service] facility, as defined in subsection (a) of section 10a-89c, and  
118 any state facility used for the programs of the system.

119 [(8)] (7) "System" means the regional community-technical colleges,  
120 the Connecticut State University System, [a constituent unit of the state  
121 system of higher education comprised of Western Connecticut State  
122 University, Southern Connecticut State University, Eastern  
123 Connecticut State University and Central Connecticut State University]  
124 Charter Oak State College and constituent units of the state system of  
125 higher education, established pursuant to sections [10a-87] 10a-71 to  
126 10a-101, inclusive, as amended by this act, and sections 10a-143 to 10a-  
127 143b, inclusive.

128 [(9)] (8) "Treasurer" means the State Treasurer or the Deputy State  
129 Treasurer appointed pursuant to section 3-12.

130 [(10)] "University" means any one of Western Connecticut State  
131 University, Southern Connecticut State University, Eastern  
132 Connecticut State University or Central Connecticut State University.]

133 Sec. 4. Section 10a-91d of the general statutes is repealed and the  
134 following is substituted in lieu thereof (*Effective July 1, 2014*):

135 (a) It is hereby determined and found to be in the best interest of  
136 this state and the system to establish [CSUS] CSCU 2020 as the efficient  
137 and cost-effective course to achieve the objective of renewing,  
138 modernizing, enhancing, expanding, acquiring and maintaining the  
139 infrastructure of the system, the particular project or projects, each  
140 being hereby approved as a project of [CSUS] CSCU 2020, and the  
141 presently estimated cost thereof being as follows:

T1

Phase I

Phase II

Phase III

		Fiscal Years	Fiscal Years	Fiscal Years
		Ending	Ending	Ending
		June 30,	June 30,	June 30,
		2009-2011	2012-2014	[2015-2018]
				<u>2015-2019</u>
T2				
T3				
T4				
T5				
T6				
T7				
T8	Central Connecticut State			
T9	University			
T10	Code Compliance/			
T11	Infrastructure Improvements	[18,146,445]	[6,704,000]	[5,000,000]
T12		<u>16,418,636</u>	<u>6,894,000</u>	
T13	Renovate/Expand Willard			
T14	and DiLoreto Halls			
T15	(design/construction)		57,737,000	
T16	Renovate/Expand Willard and			
T17	DiLoreto Halls			
T18	(equipment)			3,348,000
T19	New Classroom Office Building	[33,978,000]		
T20		<u>29,478,000</u>		
T21	[East Campus Infrastructure			
T22	Development]	[13,244,000]		
T23	<u>Renovate Barnard Hall</u>	<u>3,680,000</u>		<u>18,320,000</u>
T24	[Burritt Library Expansion			
T25	(design/construction)]			[96,262,000]
T26	<u>New Engineering Building</u>			
T27	<u>(design/construction and</u>			
T28	<u>equipment)</u>	<u>9,900,000</u>		<u>52,800,000</u>
T29	Burritt Library Renovation,			
T30	(design, addition and			[11,387,000]
T31	<u>equipment)</u>			<u>16,500,000</u>
T32	New Maintenance/Salt Shed			
T33	Facility	2,503,000		
T34	<u>Renovate Kaiser Hall and</u>			
T35	<u>Annex</u>	<u>6,491,809</u>	<u>210,000</u>	<u>18,684,000</u>

T36				
T37	Eastern Connecticut State			
T38	University			
T39	Code Compliance/			
T40	Infrastructure Improvements	[8,255,113]	5,825,000	[5,000,000]
T41		<u>8,938,849</u>		
T42	Fine Arts Instructional Center			
T43	(design)	12,000,000		
T44	Fine Arts Instructional Center			
T45	(construction)		71,556,000	
T46	Fine Arts Instructional Center			
T47	(equipment)			4,115,000
T48	Goddard Hall Renovation			
T49	(design/construction)		19,239,000	
T50	Goddard Hall Renovation			
T51	(equipment)			1,095,000
T52	Sports Center Addition and			
T53	Renovation (design)			11,048,000
T54	Outdoor Track-Phase II	[1,816,000]		
T55		<u>1,506,396</u>		
T56	Athletic Support Building	1,921,000		
T57	New Warehouse	[2,269,000]		
T58		<u>1,894,868</u>		
T59				
T60	Southern Connecticut State			
T61	University			
T62	Code Compliance/			
T63	Infrastructure Improvements	16,955,915	8,637,000	[5,000,000]
T64	New Academic Laboratory			
T65	Building/Parking Garage			
T66	(construct garage,			
T67	design academic laboratory			
T68	building, demolish Seabury			
T69	Hall)	8,944,000		
T70	New Academic Laboratory			

T71	Building/Parking Garage			
T72	(construct academic laboratory			
T73	building)	63,171,000		
T74	Health and Human Services			
T75	Building			60,412,000
T76	Additions and Renovations to			
T77	Buley Library	16,386,585		
T78	Fine Arts Instructional Center			70,929,000
T79				
T80	Western Connecticut State			
T81	University			
T82	Code Compliance/			
T83	Infrastructure Improvements	7,658,330	4,323,000	[7,212,000]
T84	Fine Arts Instructional Center			
T85	(construction)	80,605,000		
T86	Fine Arts Instructional Center			
T87	(equipment)		4,666,000	
T88	Higgins Hall Renovations			
T89	(design)		2,982,000	
T90	Higgins Hall Renovations			
T91	(construction/equipment)			31,594,000
T92	Berkshire Hall Renovations			
T93	(design)			4,797,000
T94	University Police Department			
T95	Building (design)	500,000		
T96	University Police Department			
T97	Building (construction)		4,245,000	
T98	Midtown Campus Mini-Chiller			
T99	Plant			1,957,000
T100				
T101	[State University System]			
T102	<u>Board of Regents for Higher</u>			
T103	<u>Education</u>			
T104	New and Replacement			
T105	Equipment, <u>Smart Classroom</u>			



T106	<u>Technology and Technology</u>			
T107	<u>Upgrades</u>	26,895,000	14,500,000	[31,844,000]
T108				<u>61,844,000</u>
T109	Alterations/Improvements:			
T110	Auxiliary Service Facilities	18,672,422	15,000,000	20,000,000
T111	Telecommunications			
T112	Infrastructure Upgrade	10,000,000	3,415,000	5,000,000
T113	Land and Property Acquisition	[4,250,190]	[3,000,000]	4,000,000
T114		<u>3,650,190</u>	<u>2,600,000</u>	
T115	<u>Deferred Maintenance/Code</u>			
T116	<u>Compliance Infrastructure</u>			
T117	<u>Improvements</u>			<u>48,557,000</u>
T118	<u>Strategic Master Plan of</u>			
T119	<u>Academic Programs</u>			<u>3,000,000</u>
T120	<u>Consolidation and Upgrade of</u>			
T121	<u>System Student and Financial</u>			
T122	<u>Information Technology</u>			
T123	<u>Systems</u>			<u>20,000,000</u>
T124	<u>Advanced Manufacturing</u>			
T125	<u>Center at Asnuntuck</u>			
T126	<u>Community College</u>			<u>25,500,000</u>
T127				
T128	Totals	285,000,000	285,000,000	[380,000,000]
T129				<u>483,500,000</u>

142 (b) The plan of funding [CSUS] CSCU 2020 shall be from the  
 143 proceeds of general obligation bonds of the state in an amount  
 144 authorized pursuant to subsection (a) of section 10a-91e, as amended  
 145 by this act. The proceeds of the general obligation bonds issued  
 146 pursuant to section 10a-91e, as amended by this act, shall be deposited  
 147 into the [CSUS] CSCU 2020 Fund.

148 (c) With respect to [CSUS] CSCU 2020 and within the authorized  
 149 funding amount, the board of [trustees] regents may, from time to  
 150 time, and shall, whenever appropriate or necessary, revise, delete or  
 151 add a particular project or projects, provided:

152 (1) [a] A formal approving vote of the board of [trustees] regents  
153 shall be needed for (A) a revision that deviates from the estimated  
154 costs of projects pursuant to subsection (a) of this section in an amount  
155 that is less than (i) ten per cent of such costs for a project with an  
156 estimated cost of one million dollars or lower, or (ii) five per cent of  
157 such costs for a project with an estimated cost of more than one million  
158 dollars, provided such change in the costs does not include changes in  
159 the costs of materials, (B) a deletion, or (C) an addition dictated by a  
160 change in system planning as determined by the board of [trustees]  
161 regents or otherwise necessary because of reasons beyond the control  
162 of the system; [,]

163 (2) [any] Any revision shall be subject only to such formal approval  
164 of the board of [trustees] regents as long as the board of [trustees]  
165 regents finds and determines that such revision is consistent with the  
166 intent or purpose of the original project; [,] and

167 (3) (A) [a] A revision that deviates from the estimated costs of  
168 projects pursuant to subsection (a) of this section in an amount that is  
169 equal to or greater than (i) ten per cent of such costs for a project with  
170 an estimated cost of one million dollars or lower, or (ii) five per cent of  
171 such costs for a project with an estimated cost of more than one million  
172 dollars, provided such change in the costs does not include changes in  
173 the costs of materials, (B) an addition, or (C) a deletion, shall be  
174 conditioned not only upon such formal approval of the board of  
175 [trustees] regents but also upon a request by the board of [trustees]  
176 regents for, and enactment of, a subsequent public or special act  
177 approving (i) such addition or deletion, if such addition is to add a  
178 project not outlined in subsection (a) of this section or the deletion is  
179 the deletion of a project outlined in subsection (a) of this section, or (ii)  
180 such revision, except if such revision is due to the use of funds  
181 remaining from a completed project, then such revision shall be  
182 conditioned only upon such formal approval of the board of regents.

183 (4) [Furthermore, with respect to CSUS 2020 and subject] Subject to  
184 the limitations in the authorized funding amount, the board of

185 [trustees] regents may determine the sequencing and timing of such  
186 project or projects, revise estimates of cost and reallocate from any  
187 amounts estimated in subsection (a) of this section, for one or more  
188 projects to one or more other projects then constituting a component of  
189 [CSUS] CSCU 2020 as long as, at the time of such reallocation, it has  
190 found that any such project to which a reallocation is made has been  
191 revised or added in accordance with this section and such project from  
192 which a reallocation is made either has been so revised or added and  
193 can be completed within the amounts remaining allocated to it, or has  
194 been so deleted. The board of [trustees'] regents' actions under this  
195 section shall be included in reports to the Governor and the General  
196 Assembly under section 10a-91f, as amended by this act. If the board of  
197 [trustees] regents requests a revision, addition or deletion pursuant to  
198 subdivision (3) of this subsection, the board of [trustees] regents shall  
199 submit such request to the Governor at the same time that the request  
200 is submitted to the General Assembly.

201 (d) (1) In accordance with the provisions of chapters 59 and 60, the  
202 Commissioner of Administrative Services shall be responsible for the  
203 duties [as] specified in said provisions, and, on a quarterly basis, the  
204 commissioner shall provide the system with information needed for  
205 compliance with sections 10a-91a to 10a-91h, inclusive, as amended by  
206 this act, including, but not limited to, costs, timeliness of completion of  
207 projects and any issues that have developed in implementation of any  
208 project under the commissioner's jurisdiction.

209 (2) Not later than January 1, 2009, and annually thereafter, the  
210 Commissioner of Administrative Services shall, in accordance with  
211 section 11-4a, report to the Governor and the General Assembly on any  
212 (A) construction management services costs, (B) administrative  
213 services costs, and (C) costs of fees associated with [CSUS] CSCU 2020.

214 (e) The Commissioner of Administrative Services and the system  
215 shall enter into and maintain a memorandum of understanding that  
216 shall provide for the assignment of personnel from the Department of  
217 Administrative Services to ensure that buildings or projects that are

218 part of the [CSUS] CSCU 2020 program are designed and constructed  
219 in compliance with the Fire Safety Code and the State Building Code  
220 with respect to buildings or building projects that (1) are part of  
221 [CSUS] CSCU 2020, as authorized by sections 10a-91a to 10a-91h,  
222 inclusive, as amended by this act, (2) do not meet the threshold limits,  
223 as defined in section 29-276b, and (3) construction of which is initiated  
224 during the period of time in which the memorandum is in effect.

225 [(f) The board of trustees shall request, in writing, approval from the  
226 Department of Administrative Services for any acquisition or purchase  
227 of equipment, furniture or personal property using funds provided  
228 pursuant to sections 10a-91a to 10a-91h, inclusive. Such purchases or  
229 acquisitions shall require specific approval by the Commissioner of  
230 Administrative Services, or shall be deemed approved not later than  
231 thirty days after such request for approval, if the commissioner has not  
232 rejected the request.]

233 (f) Not later than July 1, 2015, and biannually thereafter, the Board  
234 of Regents for Higher Education shall, in accordance with section 11-  
235 4a, report to the joint standing committees of the General Assembly  
236 having cognizance of matters relating to higher education and finance  
237 on how the Board of Regents for Higher Education disbursed to and  
238 divided among each state university and each regional community  
239 technical college the proceeds of the general obligation bonds issued  
240 pursuant to subsection (a) of section 10a-91e, as amended by this act,  
241 for each of the projects listed under the Board of Regents for Higher  
242 Education in subsection (a) of this section, and whether there were  
243 revisions to any such project due to the use of funds remaining from a  
244 completed project.

245 Sec. 5. Section 10a-91e of the general statutes is repealed and the  
246 following is substituted in lieu thereof (*Effective July 1, 2014*):

247 (a) The State Bond Commission shall approve the [CSUS] CSCU  
248 2020 program and authorize the issuance of bonds of the state in  
249 principal amounts not exceeding in the aggregate [nine hundred fifty  
250 million dollars] one billion fifty-three million five hundred thousand

251 dollars. The amount provided for the issuance and sale of bonds in  
 252 accordance with this section shall be capped in each fiscal year in the  
 253 following amounts, provided, to the extent the board of [trustees]  
 254 regents does not provide for the issuance of all or a portion of such  
 255 amount in a fiscal year, or the Governor disapproves the request for  
 256 issuance of all or a portion of the amount of the bonds as provided in  
 257 subsection (d) of this section, any amount not provided for or  
 258 disapproved, as the case may be, shall be carried forward and added to  
 259 the capped amount for [the next succeeding] a subsequent fiscal year,  
 260 but not later than the fiscal year ending June 30, 2019, and provided  
 261 further, the costs of issuance and capitalized interest, if any, may be  
 262 added to the capped amount in each fiscal year, and each of the  
 263 authorized amounts shall be effective on July first of the fiscal year  
 264 indicated as follows:

T130	Fiscal Year Ending June 30	Amount
T131		
T132	2009	95,000,000
T133	2010	[95,000,000] <u>0</u>
T134	2011	95,000,000
T135	2012	95,000,000
T136	2013	95,000,000
T137	2014	95,000,000
T138	2015	[95,000,000] <u>175,000,000</u>
T139	2016	[95,000,000] <u>118,500,000</u>
T140	2017	95,000,000
T141	2018	95,000,000
T142	<u>2019</u>	<u>95,000,000</u>
T143	Total	[\$950,000,000] <u>\$1,053,500,000</u>

265 (b) The State Bond Commission shall approve a memorandum of  
 266 understanding between the board of [trustees] regents and the state,  
 267 acting by and through the Secretary of the Office of Policy and  
 268 Management and the Treasurer, providing for the issuance of said  
 269 bonds for the purposes of sections 10a-91a to 10a-91h, inclusive, as

270 amended by this act, including provisions regarding the extent to  
271 which federal, private or other moneys then available or thereafter to  
272 be made available for costs should be added to the proceeds of the  
273 bonds authorized pursuant to sections 10a-91a to 10a-91h, inclusive, as  
274 amended by this act, for such project or projects. The memorandum of  
275 understanding shall be deemed to satisfy the provisions of section 3-20  
276 and the exercise of any right or power granted thereby which is not  
277 inconsistent with the provisions of sections 10a-91a to 10a-91h,  
278 inclusive, as amended by this act.

279 (c) All bonds issued pursuant to sections 10a-91a to 10a-91h,  
280 inclusive, as amended by this act, shall be general obligations of the  
281 state and the full faith and credit of the state of Connecticut are  
282 pledged for the payment of the principal of and interest on said bonds  
283 as the same become due, and accordingly and as part of the contract of  
284 the state with the holders of said bonds, appropriation of all amounts  
285 necessary for punctual payment of such principal and interest is  
286 hereby made, and the Treasurer shall pay such principal and interest  
287 as the same become due.

288 (d) (1) On or before the first day of March in each year, the board of  
289 [trustees] regents shall submit to the Governor, the Treasurer and the  
290 Secretary of the Office of Policy and Management, the most recently  
291 approved facilities [plan] and academic plans and the amount of bonds  
292 required for the [CSUS] CSCU 2020 program for the fiscal year  
293 beginning on July first of that year. The Governor may, not later than  
294 thirty days after such submission, approve or disapprove all or a  
295 portion of such amount of bonding submitted by the board of  
296 [trustees] regents by notifying the board of [trustees] regents, in  
297 writing, of such decision and the reasons for it. If the Governor does  
298 not act within such thirty-day period, the issuance of bonds for the  
299 [CSUS] CSCU 2020 program for the fiscal year beginning on July first  
300 of that year is deemed approved.

301 (2) Subject to the amount of limitations of such capping provisions  
302 in subsection (a) of this section and following the approval or deemed

303 approval of the request to issue bonds as provided in subdivision (1) of  
304 this subsection, the principal amount of the bonds authorized under  
305 this section shall be deemed to be an appropriation and allocation of  
306 such amount, and such approval of such request shall be deemed the  
307 allotment by the Governor of such capital outlays within the meaning  
308 of section 4-85.

309 Sec. 6. Subsection (a) of section 10a-91f of the general statutes is  
310 repealed and the following is substituted in lieu thereof (*Effective July*  
311 *1, 2014*):

312 (a) Not later than January 1, [2010] 2015, and semiannually  
313 thereafter, the system shall, in accordance with the provisions of  
314 section 11-4a, report to the Governor and the General Assembly on the  
315 status and progress of [CSUS] CSCU 2020. Each report shall include,  
316 but not be limited to: (1) Information on the number of projects  
317 authorized and approved hereunder including, relative to such  
318 projects, project costs, timeliness of completion and any problems  
319 which have developed in implementation, and a schedule of projects  
320 remaining and their expected costs; and (2) the amount of money  
321 raised from private sources for the capital and endowment programs.  
322 For purposes of preparing each report, upon request of the board of  
323 [trustees] regents, the Treasurer shall promptly provide information  
324 concerning bonds authorized, approved and issued under sections  
325 10a-91a to 10a-91h, inclusive, as amended by this act.

326 Sec. 7. Section 10a-91g of the general statutes is repealed and the  
327 following is substituted in lieu thereof (*Effective July 1, 2014*):

328 On January 1, 2014, and January 1, 2019, the system shall, in  
329 accordance with the provisions of section 11-4a, submit to the  
330 Governor and to the General Assembly, a five-year [CSUS] CSCU 2020  
331 performance review report detailing for each project undertaken to  
332 date under the program the progress made and the actual  
333 expenditures compared to original estimated costs. Not later than sixty  
334 calendar days after receipt of said report, the Governor and the  
335 General Assembly shall consider the report and determine whether

336 there has been insufficient progress in implementation of [CSUS]  
 337 CSCU 2020 or whether there have been significant cost increases over  
 338 original estimates as a result of actions taken by the system. If so, the  
 339 Governor or the General Assembly may make recommendations for  
 340 appropriate action to the system and for action by the General  
 341 Assembly.

342 Sec. 8. Section 10a-91h of the general statutes is repealed and the  
 343 following is substituted in lieu thereof (*Effective July 1, 2014*):

344 The board of [trustees] regents shall select and appoint independent  
 345 auditors, as defined in subdivision (7) of section 4-230, to annually  
 346 conduct an audit of any project of [CSUS 2020, as defined in  
 347 subdivision (4) of section 10a-91c] CSCU 2020. Such audit shall review  
 348 invoices, expenditures, cost allocations and other appropriate  
 349 documentation in order to reconcile project costs and verify  
 350 conformance with project budgets, cost allocation agreements and  
 351 applicable contracts, and shall be submitted to the Governor and the  
 352 General Assembly in accordance with section 11-4a. The board of  
 353 [trustees] regents shall ensure that the auditors have unfettered access  
 354 to any documentation the auditors need to review any such project.  
 355 The auditors appointed pursuant to this section may serve in such  
 356 capacity for five consecutive years and shall not be reappointed at the  
 357 expiration of such period. Any such auditor appointed pursuant to this  
 358 section shall not perform any nonaudit services for the system during  
 359 such period.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2014</i>	10a-91a
Sec. 2	<i>July 1, 2014</i>	10a-91b
Sec. 3	<i>July 1, 2014</i>	10a-91c
Sec. 4	<i>July 1, 2014</i>	10a-91d
Sec. 5	<i>July 1, 2014</i>	10a-91e
Sec. 6	<i>July 1, 2014</i>	10a-91f(a)
Sec. 7	<i>July 1, 2014</i>	10a-91g
Sec. 8	<i>July 1, 2014</i>	10a-91h



**HED**      *Joint Favorable Subst. C/R*

FIN

**FIN**      *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

### **OFA Fiscal Note**

#### **State Impact:**

Agency Affected	Fund-Effect	FY 15 \$	FY 16 \$
Treasurer, Debt Serv.	GF - Cost	None	8.0 million

#### **Municipal Impact:** None

#### **Explanation**

The bill authorizes a total of \$103.5 million in General Obligation bonds (\$80.0 million in FY 15 and \$23.5 million in FY 16). The fiscal impact is summarized in the table below. Assuming that the Office of the State Treasurer issues \$80 million in bonds before the end of FY 15, the debt service cost in FY 16 will be \$8.0 million.

#### **New GO Bond Authorization and Estimated Debt Service Cost \$ millions**

Fiscal Year	Authorization Amount	Total Debt Service Cost*	Interest	Principal
FY 15	80.00	122.00	42.00	80.00
FY 16	23.50	35.34	12.34	23.50
<b>TOTAL</b>	<b>103.50</b>	<b>157.84</b>	<b>54.34</b>	<b>103.50</b>
*Figures assume that bonds are issued at 5.0% over 20 year term				

#### **The Out Years**

The General Fund debt service impact identified above would continue over the 20 year term of issuance for the bonds.

**OLR Bill Analysis****sSB 30*****AN ACT CONCERNING THE BOARD OF REGENTS FOR HIGHER EDUCATION INFRASTRUCTURE ACT.*****SUMMARY:**

This bill authorizes \$103.5 million in new bonding under the Connecticut State University System (CSUS) 2020 infrastructure program (renamed by the bill as the Connecticut State Colleges and Universities (CSCU) 2020 program). It expands the program to include the regional community-technical colleges and Charter Oak State College and extends the program by one year (to FY 19).

The bill also allows the Board of Regents for Higher Education (BOR), which administers the program, to revise CSCU 2020 project amounts without legislative approval if the revision is due to reallocating unspent funds from a completed project. It requires BOR to report biannually to the legislature on how it allocated project funds among the state universities and community colleges.

Under current law, a program project includes, among other things, improvements, reconstruction, replacements, additions, and equipment acquired in connection with any facilities existing on July 1, 2008. The bill eliminates the requirement for these facilities to have been in existence on July 1, 2008. It also eliminates a requirement that BOR receive approval from the administrative services commissioner before acquiring or purchasing equipment, furniture, or personal property using funds from bond proceeds.

The bill also renames the board's biennial facilities plan as the facilities and academic plans and makes technical and conforming changes.

EFFECTIVE DATE: July 1, 2014

**CSCU 2020**

The bill authorizes \$103.5 million in new bonding under the CSCU 2020 program. It adds new projects, replaces others, and adds, decreases, or cancels existing authorizations, as shown in Table 1. The table also indicates to which phase of the program the changes apply: Phase I (FY 09-FY 11), Phase II (FY 12-FY 14), and Phase III (FY 15-FY 18; extended by the bill to FY 19). The bill makes no net changes to phases I and II; it increases Phase III authorizations by \$103.5 million.

**Table 1: Project Authorizations**

<i>Project</i>	<i>Phase</i>	<i>Current Authorization</i>	<i>Proposed Authorization</i>	<i>Change</i>
<b>Central</b>				
Code Compliance/Infrastructure Improvements	I	\$18,146,445	\$16,418,636	(\$1,727,809)
	II	6,704,000	6,894,000	190,000
	III	5,000,000	0	(5,000,000)
New Classroom Office Building	I	33,978,000	29,478,000	(4,500,000)
East Campus Infrastructure Development (replaced by bill with Renovate Barnard Hall)	I	13,244,000	3,680,000	(9,564,000)
	III	0	18,320,000	18,320,000
Burritt Library Expansion (design/construction)(replaced by bill with New Engineering Building(design/construction and equipment))	I	0	9,900,000	9,900,000
	III	96,262,000	52,800,000	(43,462,000)
Burritt Library Renovation (design)(expanded by bill to include addition and equipment)	III	11,387,000	16,500,000	5,113,000
Renovate Kaiser Hall and Annex (new)	I	0	6,491,809	6,491,809
	II	0	210,000	210,000
	III	0	18,684,000	18,684,000
<b>Eastern</b>				
Code Compliance/Infrastructure Improvements	I	8,255,113	8,938,849	683,736
	III	5,000,000	0	(5,000,000)
Outdoor Track-Phase II	I	1,816,000	1,506,396	(309,604)
New Warehouse	I	2,269,000	1,894,868	(374,132)
<b>Southern</b>				
Code Compliance/Infrastructure Improvements	III	5,000,000	0	(5,000,000)

Western				
Code Compliance/ Infrastructure Improvements	III	7,212,000	0	(7,212,000)
Board of Regents (formerly CSUS System Office)				
New and Replacement Equipment (bill adds Smart Classroom Technology and Technology Upgrades)	III	31,844,000	61,844,000	30,000,000
Land and Property Acquisition	I	4,250,190	3,650,190	(600,000)
	II	3,000,000	2,600,000	(400,000)
Deferred Maintenance/Code Compliance Infrastructure Improvements	III	0	48,557,000	48,557,000
Strategic Master Plan of Academic Programs (new)	III	0	3,000,000	3,000,000
Consolidation and Upgrade of Student System and Financial Information technology Systems (new)	III	0	20,000,000	20,000,000
Advanced Manufacturing Center at Asnuntuck Community College (new)	III	0	25,500,000	25,500,000
<b>TOTAL CHANGE</b>				<b>\$103,500,000</b>

The bill reduces authorizations for the four state universities by an aggregate total of \$22.557 million and increases BOR authorizations by \$126.057 million, as shown in Table 2.

**Table 2: Authorization Changes**

<b>Entity</b>	<b>Net Change</b>
Central	(\$5,345,000)
Eastern	(5,000,000)
Southern	(5,000,000)
Western	(7,212,000)
BOR (formerly CSUS System Office)	126,057,000
<b>Total</b>	<b>\$103,500,000</b>

### **Annual Bond Limits**

To conform to the increased bond authorizations, the bill (1) adjusts the annual bond limits for the CSCU 2020 program in FYs 15 and 16, (2) cancels the FY 10 authorization, and (3) extends the program to FY

19 (see Table 3). The FY 10 change is attributable to that year's allocation being disapproved by the governor in 2009.

**Table 3: Annual Bond Limits**

<b>FY</b>	<b>Current Limit (Millions)</b>	<b>Proposed Limit (Millions)</b>	<b>Change (Millions)</b>
2009	\$95.0	\$95.0	-
2010	95.0	0	(95.0)
2011	95.0	95.0	-
2012	95.0	95.0	-
2013	95.0	95.0	-
2014	95.0	95.0	-
2015	95.0	175.0	80.0
2016	95.0	118.5	23.5
2017	95.0	95.0	-
2018	95.0	95.0	-
2019	-	95.0	95.0

Under current law, any difference between the amount actually issued in any year and the cap can be carried forward to the next succeeding fiscal year. Financing transaction costs can be added to the caps. The bill allows funds to be carried forward to any subsequent fiscal year but specifies that they cannot be carried forward past FY 19.

By law, BOR must annually, by March 1, submit to the governor, state treasurer, and Office of Policy and Management secretary the amount of bonds required for the program for the ensuing fiscal year. The governor has 30 days to approve or disapprove the amount in whole or in part; if he does not act within 30 days of the submission, the whole amount is deemed approved. It is unclear whether BOR could submit (and the governor approve) a revised FY 15 request to account for the bill's additional bond authorizations.

## **PROJECT REVISIONS**

Under current law, the following types of revisions in the CSCU 2020 plan require both formal approval by BOR and passage of a public or special act: (1) the addition or deletion of a project or (2) an increase or decrease in the original project cost by 10% or more for

projects estimated to cost \$ 1 million or less, or 5% or more for projects estimated to cost more than \$ 1 million, unless the change in cost is due solely to changes in material costs. The bill eliminates the requirement for a public or special act for revisions that are due to reallocating unspent funds from a completed project.

### **REPORTING REQUIREMENTS**

By law, BOR must report, biannually to the governor and legislature, specified information on projects under the program (e.g., costs and timeliness). The bill additionally requires the board, biannually beginning July 1, 2015, to report to the Finance and Higher Education committees on how it allocated proceeds for each BOR project among each state university and regional community-technical college.

The bill also requires the new report to include any revisions to the BOR projects that were due to using unspent funds from a completed project. Under existing law, BOR must list project revisions in its report to the governor and legislature.

### **COMMITTEE ACTION**

Higher Education and Employment Advancement Committee

Joint Favorable Substitute Change of Reference  
Yea 16 Nay 2 (03/13/2014)

Finance, Revenue and Bonding Committee

Joint Favorable Substitute  
Yea 47 Nay 3 (04/01/2014)